

# EXHIBIT 38

1  
2 UNITED STATES DISTRICT COURT  
3 SOUTHERN DISTRICT OF NEW YORK

4 - - - - -x

5 SERGEY LEONTIEV,

6 Plaintiff,

Case No. 16-cv-3595

7 -against-

8 ALEXANDER VARSHAVSKY,

9 Defendant.

10 - - - - -x

11 January 11, 2017

12 3:10 p.m.

13  
14  
15 Videotaped deposition of  
16 ALEXANDER SHCHEGLYAEV, taken by Defendant,  
17 pursuant to Notice, held at Hotel Kämp,  
18 Pohjoisesplanadi 29, Helsinki, Finland,  
19 before Sharon Lengel, a Registered  
20 Professional Reporter, Certified Realtime  
21 Reporter, and Notary Public of the State  
22 of New York.

23  
24 \* \* \*  
25

A P P E A R A N C E S:

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BY: NICHOLAS C. TOMPKINS, ESQ.  
COLBY A. SMITH, ESQ.

ALSO PRESENT:

DAVID ROSS ELLIOTT, Videographer  
PAVEL KHOKHLACHEV, Interpreter  
VICTOR POTAPOV, Check Interpreter  
VITALIY POPOV, ESQ.

\* \* \*

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2 ahead.

3 A. I'm sorry. I can explain my  
4 position and why I'm saying that it's may  
5 be.

6 Q. Please, go ahead.

7 A. It seems to me I am a  
8 beneficial. At a certain time in the  
9 past, in the company called Probusiness,  
10 there was a person -- just a second --  
11 Aleksandra Vyulkova. And because I knew  
12 Alexander Zheleznyak, from time to time,  
13 at various events, corporate events and  
14 birthday parties, we would meet with  
15 Aleksandra Vyulkova.

16 At one of the evenings, Vyulkova  
17 made a proposal to me, because I finished  
18 with my state service. She proposed to me  
19 to become the beneficiary of several  
20 companies for a certain remuneration. I  
21 said that I agreed to that, as long as I  
22 did not bear any financial risks and as  
23 long as I did not have to sign for any  
24 payments or be responsible for any of  
25 those, after which I was asked to come to

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2 Cyprus and to process several companies.

3 There, I met Mr. Brazhnikov --  
4 his first name is Fiodor -- who  
5 accompanied me when visiting registrars.  
6 I signed a number of papers, after which  
7 all the documents were taken away by  
8 Fiodor Brazhnikov. And because I trusted  
9 the company Probusiness, I, therefore, did  
10 not ask any questions.

11 I was only worried about two  
12 things: My responsibility in relation to  
13 any financial transfers. And, in this  
14 part, I was explained that -- it was  
15 explained to me that there was a director  
16 for this purposes, and the director  
17 receives instructions. And I warned them  
18 straight-away that I will not be giving  
19 any payment instructions to anyone. And  
20 the second issue was my remuneration.

21 Now we come to the point which  
22 explains why I said that maybe I'm a  
23 beneficiary in those companies, because I  
24 cannot state precisely the names of the  
25 companies where I am a beneficiary, and

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2 also I cannot state the number of those  
3 companies.

4 Q. Thank you for that explanation.

5 Let me go back to a few things  
6 that you said, just to make sure that I've  
7 understood them clearly.

8 You said that Ms. Vyulkova, who  
9 worked at Probusiness, first approached  
10 you about taking on this role.

11 Did she offer any explanation  
12 for why she needed you to take on this  
13 role and responsibility?

14 A. Yes, she did. She explained to  
15 me that, companies where there were other  
16 beneficiaries, it was necessary to change  
17 the beneficiaries, because a certain  
18 number of years has elapsed.

19 Q. Did you have any -- did she give  
20 you any information on who the prior  
21 beneficiaries had been?

22 A. No. The only thing, at the  
23 time, when I was signing the documents, I  
24 saw from who to who the transfer was made.  
25 But I was not familiar with -- with those

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2 surnames.

3 Q. Well, we'll look at some  
4 documents in a minute and see if that may  
5 refresh your memory.

6 As I recall, you described the  
7 position that she asked you to take on as  
8 that of the beneficiary of the company.

9 What was your understanding of  
10 what the role of a beneficiary was in a  
11 company of this kind?

12 A. A person who is register -- in  
13 whose name the company is registered.

14 Q. In that position, did you make  
15 any business decisions with respect to the  
16 company's business activities?

17 MR. KING: Objection to form.

18 A. No.

19 Q. Do you know, did someone else  
20 make those decisions?

21 A. As far as I know, I don't know  
22 how the structure --

23 THE INTERPRETER: Sorry.

24 A. -- what the structure looked  
25 like. But all the instructions were given

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2 by Vyulkova.

3 I'm sorry. At the moment of the  
4 registration, I was giving an  
5 authorization to Fiodor Brazhnikov, the  
6 person who was there in Cyprus who met me  
7 there.

8 Q. Did you have an understanding of  
9 what the business purpose of these  
10 companies was, the companies for which you  
11 acted as the beneficiary?

12 MR. KING: Objection. Lacks  
13 foundation.

14 A. Taking into account my own work  
15 experience, I could only guess.

16 Q. Did you ever speak with  
17 Ms. Vyulkova about what the business  
18 purpose of these companies was?

19 A. Yes.

20 Q. What did she tell you?

21 A. She told me they were -- their  
22 purpose was to participate in various  
23 projects abroad, such as investing in  
24 various funds and construction.

25 Q. Did you ever speak with



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2 Q. But you were never given access  
3 to this email; is that right?

4 A. They explained to me, "You're  
5 not going to work there. You're not  
6 dealing with any financial documents,  
7 anyway. We're here, and we can provide  
8 always some information to them."

9 Q. So --

10 A. And then they disappeared.

11 Q. Okay. But it was your  
12 understanding that Ms. Vyulkova and  
13 Mr. Brazhnikov would be the ones who would  
14 use this email address that was set up  
15 with your name.

16 MR. KING: Objection. Leading.

17 A. I could not say who would be  
18 using it. It was obvious that Vyulkova  
19 and Brazhnikov had access to this email.  
20 But apart from them, I cannot say how many  
21 other people have access to that email  
22 address.

23 Q. Okay. With respect to the  
24 second trip, do you remember the name of  
25 the person who brought you the ticket?

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2 Q. Do you remember the names of any  
3 of the people you spoke with at Trident  
4 Trust?

5 A. Yes.

6 Q. Who did you speak with?

7 A. Farida, Alexia, Galina, and  
8 there are two people I don't remember.

9 Q. How long were you in Cyprus on  
10 the second trip?

11 A. One day.

12 Q. And did anyone travel with you?  
13 Did anyone go with you on that trip?

14 A. No.

15 Q. And while you were there, were  
16 you able to obtain a list of the companies  
17 for which you were the beneficiary?

18 A. No.

19 Q. Did the people you spoke -- I'm  
20 sorry. Go ahead.

21 A. After that, there were some  
22 emails that came to my email address. All  
23 of them were written in different forms.  
24 I don't speak English very well, and also  
25 my English is a day-to-day English. And

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2 business English is something that escapes  
3 me. So I could not have a full picture  
4 based on the communication with them.

5 Q. And that was because the emails  
6 were written in English; is that right?

7 A. I would say this is the second  
8 reason. The first reason, they were very  
9 different in terms of their form, and they  
10 came from different people. If it was  
11 just a transparent letter -- for example,  
12 "Mr. Shcheglyaeв, you are beneficiary of  
13 19 companies," such and such and such and  
14 such would have been one thing. But then  
15 there were different emails coming or  
16 different papers coming in.

17 Q. We're getting near the end of  
18 the media, so I think we need to take a  
19 short break.

20 THE VIDEOGRAPHER: Thank you.  
21 This is the end of Media 1, Volume I,  
22 of the video deposition of  
23 Mr. Alexander Shcheglyaeв. Going off  
24 the record at 4:27 p.m., as indicated  
25 on the video screen. Thank you.

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2 asked me to forward them to her.

3 Q. How did you first learn that she  
4 had become involved with the companies for  
5 which you were the beneficiary?

6 MR. KING: Objection. Vague.

7 A. When the bankruptcy of the bank  
8 happened, Vyulkova disappeared, Brazhnikov  
9 disappeared. When I approached  
10 Zheleznyak, he said that, "Unfortunately,  
11 I don't know anything, because Vyulkova  
12 was dealing with everything."

13 As far as I understand, a person  
14 under the name of Brazhnikov was not even  
15 known to Zheleznyak. And in these  
16 difficult conditions, when certain people  
17 were not even contactable, some of them  
18 disappeared; somebody left. Very many  
19 people tried to deal with this.

20 And because communication with  
21 Zheleznyak was also limited, because he  
22 was out of the country, very often, I did  
23 not understand who was calling me and on  
24 whose behalf and who represents which  
25 party.

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2 A. Yes.

3 Q. Who informed you that the  
4 company -- well, had somebody informed you  
5 that Mr. Leontiev owned Wonderworks?

6 A. I can't tell you now precisely.  
7 It's possible that it came from our  
8 conversation with Mr. Popov.

9 Q. Take a look at Exhibit 6. And,  
10 again, I want to ask you about the first  
11 paragraph of the statement where there's a  
12 reference to Mr. SL Leontiev.

13 Leaving aside the date, am I  
14 correct that, when Ms. Vyulkova came to  
15 you and asked you to be a beneficial owner  
16 of some companies, she never mentioned  
17 representing Mr. Leontiev? You understood  
18 that she was representing Financial Group  
19 "Life"; correct?

20 MR. SMITH: Objection to form.

21 Leading the witness.

22 A. Yes.

23 Q. Could you look at Exhibit 7.

24 Am I correct, again, that the  
25 reference to Mr. Leontiev was not

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2 mentioned by Ms. Vyulkova?

3 A. It was not mentioned by  
4 Vyulkova. But it wasn't a secret that one  
5 of the heads was Leontiev.

6 Q. One of the heads of Group Life;  
7 correct?

8 A. Yes.

9 Q. Did you make more than one visit  
10 with Mr. Popov to the notary?

11 A. I think it was two.

12 Q. Did Mr. Popov or anyone from  
13 Avilon ask you for any other assistance in  
14 connection with the problems that  
15 Mr. Popov had explained to you?

16 MR. SMITH: Objection to form.

17 A. I'm afraid I didn't understand  
18 your question. I didn't quite understand  
19 the question.

20 Q. Okay. Well, I'll rephrase it.

21 Let me ask a different question.

22 Did Mr. Popov offer you anything  
23 in exchange for your assistance?

24 MR. SMITH: Objection.

25 Foundation.

## CERTIFICATION

I, SHARON LENGEL, a Notary Public for  
and within the State of New York, do  
hereby certify:

That the witness whose testimony as  
herein set forth, was duly sworn by me;  
and that the within transcript is a true  
record of the testimony given by said  
witness.

I further certify that I am not  
related to any of the parties to this  
action by blood or marriage, and that I am  
in no way interested in the outcome of  
this matter.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 17th day of January,  
2017.



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SHARON LENGEL, RPR, CRR

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